

entering into an agreement with said member's financial institution whereby said financial institution authorizes said network operator to receive instructions from said member for managing said member's virtual account and to provide instructions to said member's financial institution for managing said member's demand deposit account.

3. A method of preventing fraud in electronic financial transactions as claimed in claim 2, in which the step of registering and authorizing a member to use said network further comprises:

said member's financial institution issuing an encoded pre-registration number to said member and maintaining information sufficient to electronically identify said member and said member's demand deposit account by reference to said encoded pre-registration number;

providing said member with a machine readable object containing said encoded pre-registration number;

said network operator registering said member with said network and receiving said member's encoded pre-registration number;

communicating said member's encoded pre-registration number to said member's financial institution,

said member's financial institution verifying said encoded pre-registration number and authorizing said member to use said network to provide instructions to said member's financial institution;

generating a unique alphanumeric code cross referenced to said member's demand deposit account and using said unique alphanumeric code on said network to identify said member to said member's financial institution.

4. A method of preventing fraud in electronic financial transactions as claimed in claim 1, wherein the step of member authentication further comprises recording said member's personal alphanumeric code and a personal identification number (PIN) onto a machine-readable object; inserting said machine-readable object into a reader connected to said member's network terminal; entering said PIN into said network terminal to verify said member's authorization to use said machine-readable object;

presenting said member with one or more questions having predetermined answers previously provided by said member;

said member entering answering information into said network terminal comprising answers corresponding to said predetermined answers;

communicating said unique alphanumeric code to said network;

granting said member access to conduct transactions using said network.

5. A method of preventing fraud in electronic financial transactions as claimed in claim 4 wherein said network terminal comprises a computer.

6. A method of preventing fraud in electronic financial transactions as claimed in claim 4 wherein said network terminal comprises a wireless device using a cellular telephone network.

7. A method of preventing fraud in electronic financial transactions as claimed in claim 4 wherein said network terminal comprises an automated teller machine.

8. A method of preventing fraud in electronic financial transactions as claimed in claim 4 wherein said one or more questions having predetermined answers are communicated

to said member from said network operator, and said answering information is communicated from said network terminal to said network operator.

9. A method of preventing fraud in electronic financial transactions as claimed in claim 4 wherein said one or more questions having predetermined answers are included in said one or more encoded information files included on said machine-readable object, and said predetermined answers are included in said one or more encoded information files included on said machine-readable object.

10. A method of preventing fraud in electronic financial transactions as claimed in claim 1 wherein said pooled accounts fund comprises a plurality of pooled accounts funds owned by said network operator and maintained in a plurality of financial institutions.

11. A method of preventing fraud in an electronic financial transaction comprising the steps of:

establishing a virtual private network (VPN), said VPN

further comprising a VPN server, a VPN operator, a plurality of financial institutions, one or more pooled funds accounts owned by said VPN operator and maintained at one or more of said plurality of financial institutions, and a plurality of users authorized to use said VPN, said plurality of users comprising at least some individuals and at least some commercial entities;

each financial institution in said plurality of financial institutions being connected to said VPN and being in communication with said VPN server, each commercial entity in said plurality of commercial entities being connected to said VPN and being in communication with said VPN server, each user in said plurality of users having at least one direct deposit account (DDA) in at least one of said member financial institutions and a corresponding virtual account maintained by said VPN server, each said user being authorized to connect to said VPN and communicate with said VPN server;

said VPN server receiving instructions from a first user to withdraw available funds from said first user's DDA account in said first user's financial institution as e-cache to be placed in said first user's virtual account; said VPN server instructing said first user's financial institution to transfer said available funds from said first user's DDA into a first pooled funds account;

said VPN server making a record of a deposit of e-cache into said first user's virtual account and notifying said first user that said e-cache is available to said first user; said VPN server receiving instructions from said first user to transfer at least a portion of said e-cache to a second user;

said VPN server creating a record of a transfer of e-cache from said first user's virtual account to a virtual account owned by said second user;

said VPN server receiving instructions from said second user to convert e-cache in second user's virtual account into available funds in said second user's DDA maintained at said second user's financial institution;

said VPN server instructing said second user's financial institution to transfer available funds from a second pooled funds account into said second user's DDA;

said VPN server notifying said second user that available funds have been deposited into said second user's DDA at said second user's financial institution.

12. A method of preventing fraud in an electronic financial transaction as claimed in claim 11 further comprising the